

Minutes of April 24, 2007 VAC Meeting

Date: April 24, 2007

Time: 13:04 to 15:15 PM

Location: 402 Conference Room, Central Services Building

VAC Members Attending: Mike Masters, Chair, Xerox; Greg Alexander, Secretary, Kino Oil; Bobby Swan, Philpott Ford; P.D Morrison, PDME; Ken Sorley, Marineland of Waco; Toinette Miller, JPMC.

TBPC Staff Attending: Ted Maddry, POCS Manager; Martin Blair, SCPC Manager; Cody Hays, Procurement Operations and Customer Support Supervisor; Dee Dorsey, Purchasing Supervisor; Adrian Pineda, State Contract Supervisor; Karen Fuller, Operations Support Supervisor.

Visitors: Milton Turnipseed, TIBH; Gerome Guerreru, Travis County HUB Specialist.

- I.** The Chair called the meeting to order at 13:04.
- II.** The Chair introduced himself and invited all those present to introduce themselves.
- III.** The Committee unanimously adopted the minutes from the previous meeting.
- IV. Standing Reports:**

Item 1. Committee Discussion on Vendor Activity and Concerns

P.D. Morrison praised the Comptroller of Public Account's (CPA) office and Jennifer Paris from that office for working with his company to resolve some Prompt Pay Act related problems. He suggested that Jennifer Paris present a follow up on the Prompt Pay Act.

Mike Masters asked if TBPC could include language regarding the Prompt Pay Act in TBPC's standard terms and conditions on contracts.

Ted Maddry clarified that TBPC already has such language in its standard terms and conditions.

Item 2. Chair Summary of Previous Agenda Item Discussions

The Committee discussed the idea of holding VAC meetings outside of Austin and decided that doing so would most likely discourage participation owing to increased travel costs.

Item 3. TBPC Report on Agency Activities

A. Training Events

The May training event being organized by Keena and Company has been postponed due to loose ends regarding TXMAS vendor support and Web site information. Currently, TBPC and Keena and Company are considering June 2 or 4 as a possible date. TBPC and Keena and Company have a Memoranda of Understanding that define the duties of each party and states that these events will be organized by Keena and Company on a cost recovery basis.

B. Preparations for Hurricane Season

The Legislative session has put some added time requirements on State Operations Center (SOC) staff, but TBPC is still working on preparing for the upcoming hurricane season by participating in various workshops being held along the coast. TBPC has been contacting the vendors on the contingency contracts to update these contracts as needed.

TBPC has a new contract with FuelQuest to ensure that fuel will be available for evacuees. Fuel Quest is providing a software package that enables tracking of the fuel status at over one thousand stations along the evacuation routes. The fuel status at these stations can be tracked from the SOC and public announcements issued regarding fuel availability along the routes and Suncoast and some other fuel vendors will ship fuel to stations that need it.

TBPC has a separate contract with SunCoast to establish mobile fueling stations for the buses evacuating The Valley.

TBPC's primary role is to provide contracting support (e.g. heater meals, cots, porta potties, etc.). There are still some loose ends, but things are working out well. Even if TBPC's purchasing functions are transferred to the CPA, it won't affect these contracts.

TBPC has also been participating in SOC preparations for a possible pandemic flu outbreak. The last pandemic flu outbreak was in 1976 and the last deadly pandemic flu outbreak was in 1918. The CDC has been looking to the examples of the response of Philadelphia and St. Louis to the 1918 outbreak of what to do and what not to do in the event of a pandemic flu outbreak. Philadelphia did not take drastic steps to limit social interaction and had a very high mortality rate, while St. Louis took relatively extraordinary measures to limit social interaction and had a much lower mortality rate. An article on the lessons learned from the different responses in Philadelphia and St. Louis can be found at:

<http://www3.niaid.nih.gov/news/newsreleases/2007/fluresponse.htm>.

Currently, there is no vaccination for Avian Flu. Owing to the process used to develop flu vaccines, it will take six months to develop one for the Avian Flu once it jumps to humans. Therefore, local and state governments are going to have to implement plans to limit the spread of the outbreak.

Mike Masters pointed out that Xerox has adopted a virtual office plan and suggested that the state do the same.

C. HUB Disparity Study

Joe Cheavens stated that TBPC had provided the Legislature with a draft of the update to the Disparity Study prepared by Mason-Tillman and Associates and that this draft would be available to the public upon request.

V. Consideration and Potential Action of the Following Agenda Items:

Item 1. Old Business

A. Procurement Related Committees (DIR, SACC, SACP)

Mike Masters suggested that it would be a good idea for VAC members to regularly attend meetings of other procurement related committees, since these committees regularly discuss matters that impact the vendor community. He provided examples from some of these meetings.

At the last DIR board meeting, the board discussed rules changes to their HUB Program.

At the last SACC Purchasing Subcommittee, LBB made a number of recommendations related to purchasing:

- Consolidation of state procurement. Currently only 3% of the state's spend goes through TBPC.
- Implementation of a strategic sourcing initiative.
- Better contract management once the state has awarded contracts and the bill to create the State Office of Contract Management.

The Subcommittee also discussed the merger between NASPO (National Association of State Procurement Officials) and WSCA (Western States Contract Alliance) of cooperative purchasing contracts. Ted Maddry pointed out that vendors can ask to use WSCA contracts as basis for TXMAS contracts.

The Subcommittee also discussed HUB workgroup to conduct outreach and a House Bill to lower no-bid contract amount to \$2,000 by taking away TBPC's rule making authority to raise this limit.

Mike Masters proposed regular attendance at these meetings by VAC member volunteers. P.D. Morrison seconded the motion. The Committee unanimously adopted the motion. TBPC will e-mail a list of the committee schedules and their locations.

B. Possible Transfer of Procurement Functions to the Office of the Comptroller of Public Accounts

Ted Maddry clarified that if the bill transferring TBPC's procurement functions to the CPA passes that current procurement staff would become CPA staff. He explained that the Legislature currently has some concerns regarding transparency in contracting and that there was some debate over possible savings and benefits of such a transfer.

Greg Alexander asked Mr. Maddry for his opinion of the possible transfer.

Mr. Maddry stated that his own personal opinion on the matter, by no means to be taken as an official policy statement of the agency, was that there would be opportunities for increased efficiencies if such a transfer were to happen. For example, transferring procurement to the CPA may better enable the state to track spend on contracts.

Item 2. Election of Officers

Mike Masters nominated Greg Alexander to replace Mike Hubbard as Vice Chair. P.D. Morrison seconded the motion. The Committee unanimously elected Greg Alexander as Vice Chair.

VI. Public Comment

Karen Fuller introduced herself as the System Support Supervisor for Purchasing Operations and Customer Support (POCS) and gave the Committee an update on the TBPC initiative to e-mail solicitations to vendors, as had been discussed at previous VAC meetings and which was recently recommended in an audit report. The benefits of such a system would be faster notification for vendors and reduced mailing cost for the state.

One scenario that she described would be for an Open Market solicitation. Using the CMBL, a purchaser would compile a list of vendors. This list would delineate between vendors with e-mail addresses who would receive e-mail notification and vendors without e-mail who would receive the notification via USPS.

Mike Masters asked how TBPC would handle vendors with multiple e-mail addresses. Ms. Fuller said that the system would allow for multiple e-mail addresses.

P.D. Morrison suggested having specified e-mail fields in the CMBL vendor profile for primary company contact and bid recipient e-mail addresses.

Ms. Fuller explained that Phase One of the project would be a beta test. Phase Two would be to link the CMBL and ESBD to allow other agencies to use e-mail notification.

Greg Alexander pointed out that TxDOT already uses e-mail notification to some extent.

Joe Cheavens noted that e-mail notification would be a benefit for small businesses since it generally takes them longer to put together a bid packet.

VII. Agenda Items and Date for the April 2007 meeting.

The Committee set the date for July 10. The Committee voted to add the following items to the agenda:

- Update from CPA on Prompt Pay Act
- Election of a new Secretary
- VAC member reports on procurement related committees
- Legislative update
- Update on the HUB Disparity Study

VIII. Adjournment

Mike Masters made a motion to adjourn the meeting. Greg Alexander seconded the motion. With no objections, the Committee adjourned at 15:15.